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## China - Peoples Republic of

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### Monthly Agricultural Market News of South China – 10

**Report Categories:**

Agriculture in the News

Agricultural Trade Office Activities

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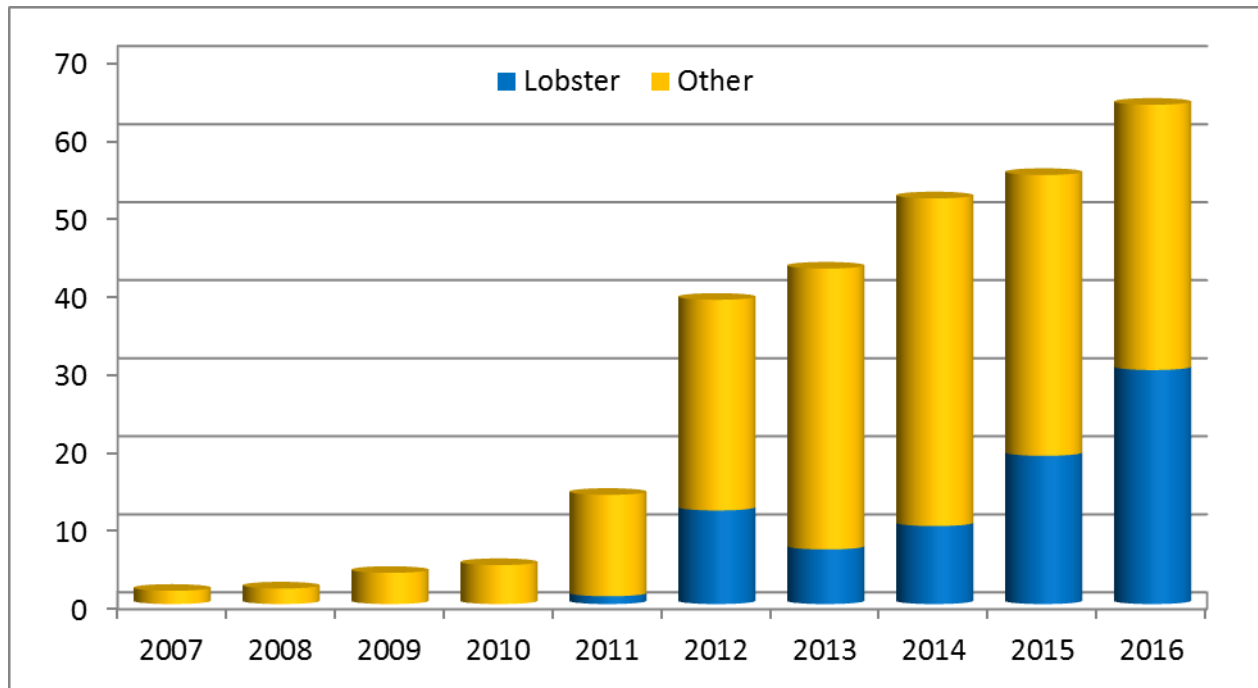
**Report Highlights:**

South China is a growing market for premium U.S. seafood...Upcoming opportunities for U.S. exporters to meet with South China retail food importers, as well as hides & skins importers...ATO Guangzhou linked South China buyers to U.S. exporters at a number of key trade shows around China and Hong Kong, and carried out other promotional activities.

## General Information:

### South China is a Growing Market for Premium U.S. Seafood

**Total South China Imports of U.S. Crustaceans**  
(\$ million)



Data Source: China Customs

South China is a key and expanding market for U.S. seafood, with imports of over \$115 million in 2016. While in other parts of China a large portion of U.S. seafood is processed and re-exported, South China imports are primarily high-end fish, shellfish, and other products that are destined for local consumption. Cantonese cuisine has a long history of featuring a wide variety of high-value seafood products. Last year South China imported \$64 million worth of crustaceans from the United States, and there has been continual growth in crustacean imports over the last decade.

U.S. lobster sales have shown the most dramatic growth, tripling in value over the past two years. U.S. lobster enjoys a good reputation with consistent supply, reasonable pricing and stable quality. With the highest incomes in China, a very strong preference for seafood in traditional Cantonese cooking, and the presence of a large number of seafood importers and traders, South China is expected to continue to grow as a destination for high-value seafood.

Note: Southern China includes Guangdong, Fujian, Guangxi, Hainan, and Hunan provinces.

## **Upcoming Events**

**June 14-17, 2017 Expo Food, Guangzhou:** ATO Guangzhou is organizing a USA pavilion at the Expo Food Guangzhou 2017 show, which will be held in Panzhou, Guangzhou from June 14 through June 17. Several in-country representatives of major U.S. branded companies are invited to exhibit at the U.S. pavilion. In addition, on June 15<sup>th</sup> there will be a match-making event which will include companies supplying U.S. food brands and local retailers. For more detailed information, please contact ATO Guangzhou marketing specialist May Liu ([may.liu@fas.usda.gov](mailto:may.liu@fas.usda.gov)).

**June 25-28, 2017 Fancy Food Show, New York:** The Summer Fancy Food Show is the largest specialty food industry trade event in North America and the premier showcase for industry innovation. ATO Guangzhou is leading a delegation to visit the show with traders and retailers from South China. U.S. exporters interested in meeting with key South China buyers at this show can contact ATO Guangzhou Marketing Specialist May Liu ([May.liu@fas.usda.gov](mailto:May.liu@fas.usda.gov)).

**Aug. 30 – Sep. 1, 2017 ACLE, Shanghai:** The All China Leather Exhibition (ACLE) is the largest leather show in China for raw materials, tanning machinery, shoe components and chemicals. Major U.S. hides, skins and leather exporters will be exhibiting under the U.S. pavilion at this show. Also, ATO Guangzhou is working with the China leather industry to organize an educational seminar on U.S. hides and promote U.S. exports with strategic partners in the supply chain. For more information on this show, and for U.S. exporters interested in meeting with South China hides & skins buyers, please visit <https://www.aclechina.com/> and contact ATO Guangzhou Marketing Specialist Ursula Chen ([Ursula.Chen@fas.usda.gov](mailto:Ursula.Chen@fas.usda.gov)).

## **Recent ATO Guangzhou Activities**

**U.S. Food and Beverage Products Popular with South China Importers at HOFEX** - From May 8-9, ATO Guangzhou visited the Hotel and Food Expo (HOFEX) in Hong Kong to introduce key South China importers to U.S. exhibitors. In total, ATO Guangzhou helped make introductions for 40 South China distributors, who expressed strong interest in U.S. pork, seafood, packaged foods and juices. In addition, ATO Guangzhou took the opportunity to discuss future marketing strategies with multiple U.S. trade associations who also attended the show.



**ATO Guangzhou Connects South China Importers with U.S. Suppliers at SIAL**– From May 17-19, ATO Guangzhou attended SIAL/Shanghai, one of the largest international food and beverage shows in the world. ATO Guangzhou facilitated numerous meetings between key South China retailers/traders and U.S. exhibitors at the event. ATO Guangzhou also took the opportunity to recruit several U.S. exhibitors at the show for a U.S. branded food and beverage retail event that is being organized in Guangzhou in June.



**China Raises Tariff on Imported Sugar** - On May 22, China's Ministry of Commerce announced a safeguard measure against sugar imports from major supplying countries. For out-of-quota sugar imports, the tariff will be raised from 50 percent to 95 percent, effective from May 22, 2017 to May 21, 2018. It will then fall to 90 percent from May 22, 2018 to May 21, 2019 and further drop to 85 percent from May 22, 2019 to May 21, 2020. For within-quota sugar import, the tariff remains unchanged as 15 percent.

**Large Swine Producers in South China are Expanding** – On May 22-25, ATO Guangzhou led a USDA delegation to visit swine farmers, large swine/poultry producers, meat processors, and feed millers in Guangxi and Guangdong provinces in South China. To get a comprehensive picture of China's swine farming, ATO Guangzhou arranged for the team to visit hog farms in various sizes,

ranging from 600-8,000 sows and with different automation levels from labor intensive to highly automated. Because of high domestic pork prices, large swine companies are expanding their hog operations and improving proficiency while small to mid-sized farms are either exiting or striving to adapt to strict environmental policies put in place by the Chinese government. This shift in production from smaller to larger scale farms with more modern production practices is creating demand for U.S. swine farming equipment, as well as U.S. feeds and fodders.

**Baking Industry Continues Booming in South China** - On May 25, ATO Guangzhou attended the China Bakery Show (CBS) opening ceremony and visited the show in Guangzhou. Organized by the All-China Bakery Association, the CBS attracted over 600 exhibitors, mainly consisting of domestic food ingredient traders, baking processors and food packaging suppliers. The South China baking industry has experienced rapid expansion with over 20 percent growth in production value every year since 2014. At the show, ATO Guangzhou introduced the U.S. wild blueberry association to a large ingredient importer, and successfully facilitated sales of frozen blueberries during the show. ATO Guangzhou also took the opportunity to network with new contacts and learn the latest Chinese baking industry trends and market developments at the show.



**U.S. Craft Beers and Brewing Ingredients Increasingly Popular in China** - From May 17-20, the 2<sup>nd</sup> Annual China Craft Beer Conference and Exposition was held in Shanghai. Over 100 exhibitors and 50 expert speakers from 14 countries participated in this well-attended event. The President of the U.S. Brewers Association (BA) gave the keynote speech at the conference while the Hop Growers of America trade association exhibited at the expo, as did multiple suppliers of U.S. craft beers, hops, and yeast. Directly following the opening day of the conference, the BA organized a beer tasting and food pairing dinner/reception.

In 2016, U.S. hops export sales to China reached \$4 million (up over 30 percent from the previous year) while export sales of U.S. beer to China reached nearly \$9 million (up five percent from the previous year). At the expo, ATO Guangzhou staff facilitated South China craft beer brewers and importers to discuss business with U.S. exporters of beer, hops and yeast. ATO Guangzhou staff also discussed with

U.S. associations about possible cooperation in conducting training for South China brewers. ATO Guangzhou plans to organize a U.S. craft beer festival promotion in Guangzhou during this summer.



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